

Message Text

UNCLASSIFIED

PAGE 01 STATE 150096

45

ORIGIN L-03

INFO OCT-01 EUR-25 ADP-00 EB-11 TRSE-00 RSC-01 /041 R

DRAFTED BY L:REDALTON:DF

7/31/73 X-22107

APPROVED BY L:REDALTON

EB/IFD/OIA:MCKENNEDY (INFO)

TREASURY: MR. GOODMAN

----- 100681

P R 311614Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY LONDON PRIORITY

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

UNCLAS STATE 150096

E.O. 11652: N/A

TAGS: PFDR GW

SUBJ: YOUNG LOAN LITIGATION

REFS: (A) LONDON 7088, (B) GENEVA 3840

LONDON FOR AMBASSADOR KEARNEY

1. FOR REASONS INDICATED IN DALTON-LONKAY MEMORANDUM
POUCHED LONDON (REGISTRY NUMBER 1948530) DEPARTMENT SHARES
VIEW YOU EXPRESSED PARAGRAPH 2 REFTEL (B) THAT IT WOULD BE
DESIRABLE TO WAIT UNTIL GERMANS FILED INITIAL COUNTER-
MEMORIAL BEFORE FILING ANY ADDITIONAL ACTIONS AS IT
LIKELY GERMAN DEFENSE WOULD HAVE DIRECT BEARING ON FLOATING
EXCHANGE RATE PROBLEM.

2. TREASURY INFORMS US THAT OWING TO CHANGE OF PERSONNEL
HAVING RESPONSIBILITY FOR HANDLING COMMUNICATIONS WITH
TRUSTEE NO U.S. REPLY HAS YET BEEN MADE TO BIS LETTER OF
MARCH 9, 1973.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 150096

3. MORGAN GUARANTEE TRUST INFORMS DEPARTMENT THAT GERMANS CONTINUE TO TAKE POSITION DESCRIBED IN HIS LETTER AND ACCOMPANYING DOCUMENTS REGARDING APPLICABILITY OF GUARANTEE TO FLOATING EXCHANGE RATES. MOST RECENT EXPRESSION OF GERMAN ATTITUDE MADE IN CONNECTION WITH JUNE 1, 1973, PAYMENT ON DOLLAR TRANCHE. MORGAN TOOK VIEW THAT PAYMENTS

SHOULD BE INCREASED IN VIEW OF CHANGE IN EXCHANGE RATES THAT FOLLOWED U.S. ANNOUNCEMENT ON FEBRUARY 12, 1973, OF INTENTION TO DEVALUE DOLLAR BY TEN PER CENT BUT GERMANS INSISTED THAT CHANGES IN PAYMENTS COULD BE MADE ONLY AFTER CONGRESS HAD ENACTED NECESSARY LEGISLATION.

4. DEPARTMENT CONSIDERS GERMANS ENTITLED EXAMINE MINUTES AND OTHER DOCUMENTS OF TCGD CITED IN APPLICANTS' BRIEF. IN OUR VIEW EXAMINATION SHOULD TAKE PLACE IN LONDON. WE BELIEVE BRITISH DEPOSIT OF DOCUMENTS WITH TRIBUNAL AT COBLENZ WOULD BE UNFORTUNATE PRECEDENT.

5. ADDITIONAL BACKGROUND DOCUMENTATION FOLLOWS TODAY UNDER REGISTRY NUMBER 1948657. ROGERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE150096
Document Source: CORE
Document Unique ID: 00
Drafter: REDALTON:DF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973071/aaaaaasb.tel
Line Count: 82
Locator: TEXT ON-LINE
Office: ORIGIN L
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 (A) LONDON 7088, (B) GENEVA 3840
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2001 by reddocgw>; APPROVED <15-Aug-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YOUNG LOAN LITIGATION
TAGS: PFOR, GE
To: LONDON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005